

**Department of Transportation Services (DTS)
Public Transit Division Title VI Program
Fare Change Equity Analysis
HOLO Card Migration**

Introduction

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving Federal financial assistance. This analysis was conducted in compliance with Federal Transit Administration (FTA) Circular 4702.1B (Circular), which requires any FTA recipient providing 50 or more fixed route vehicles in peak service located in an urbanized area and serving a population of 200,000 or greater to evaluate any fare changes at the planning and programming stages to determine whether those changes have a disparate impact on minority populations and disproportionate burden on low income populations.

This report is the fare equity analysis of the proposed migration from “paper” bus passes to an electronic account-based, fare payment system branded the HOLO card (HOLO). Although there will be no fare increases with the implementation of HOLO, in accordance with the Circular, a fare equity analysis shall be conducted for changes in fare media or medium to assess the impacts of the proposed change on minority and low income riders. Full public implementation is scheduled for July 1, 2019.

HOLO will allow riders to pay for transit services with a contactless, reusable, reloadable electronic fare card (“smart” card) that is linked to a fare account containing stored value. Riders will simply tap HOLO to quickly board a bus, or in the future, upon entry into a rail station. The current fare structure, as defined in Section 13-2.1 of the Revised Ordinances of Honolulu, determines the type of HOLO issued and the associated fare amount to deposit/load into the account. On-board cash payment will still be accepted for single one-way fares.

Background

The current bus fare system consists of paying cash on-board for a single one-way fare or for a one-day “paper” pass for unlimited rides, and purchasing “paper” passes or identification cards (ID) for Monthly or Annual Passes for Adult, Youth, Senior Citizen, and Persons with Disabilities at designated network locations. Transfers are not an option for the single one-way cash fare and were replaced by the one-day pass. Also available are Bus Pass programs for University/College students/personnel and major employers or organizations.

Monthly bus passes (Adult, Youth) for the general public can be purchased at TheBus Pass Office located at the Kalihi Transit Center, approximately 90 retail vendors located island-wide, and the nine Satellite City Halls. Pictures are included on the Annual bus pass and ID for Senior Citizens and Persons with Disabilities, as well as the Annual Adult and Youth bus pass, therefore, these passes and the initial ID can only be purchased at TheBus Pass Office where the photo is taken and imbedded onto the pass/ID. The ID can be used for the on-board payment of a discounted single one-way

cash fare or a discounted one-day pass, or it can be used as a monthly pass by purchasing discounted monthly stickers at TheBus Pass Office or Satellite City Halls.

Since 2014, the City and County of Honolulu (C&C) Department of Transportation Services (DTS), Oahu Transit Services, Inc. (OTS), and the Honolulu Authority for Rapid Transit (HART) have been planning and developing a “smart” card account-based fare system that can be used across all modes of transit.

Goals for migrating to HOLO include:

- Integrated mass transit fare system: Seamless transfer through the system and across different transit modes increases transit use and rider accessibility.
- Increased rider convenience: Fares can be purchased and loaded into accounts at TheBus Pass Office or Customer Service Center, Satellite City Halls, and participating retail stores. Customers can also set up auto-reload.
- More efficient, expedited operations: Riders will simply tap their card upon entry which contributes to faster boarding at bus stops and reduces the time buses dwell at each stop.
- Flexibility and ability for future growth: The card allows for new emerging technology, additional methods of contactless and mobile payment options, and changes to transit fare structures.

Public Engagement Process

Public outreach was conducted through Neighborhood Boards (NB), community events, senior centers, high schools, news/radio stations, and the Honolulu Rate Commission.

In an effort to engage minority, low income, and LEP populations, translators were available to attend meetings upon request, important documents and key initiative content were available for translation upon request, and methods for individuals to request translation assistance was included on all meeting notices.

The following activities to further engage minority, low income, and LEP populations will be conducted:

- Broadly communicate continued acceptance of cash payment on all vehicles for a single one-way fare, while educating cash paying customers of new and better options available with HOLO.
- Coordinate outreach with community-based organizations, social service agencies, and schools to engage minority, low-income, and Limited English Proficient (LEP) riders.

The timeline below outlines public engagement activities for HOLO.

April 2018:	Public notification that DTS is demonstrating HOLO for the Rate Commission's monthly meeting on 4/10/18. DTS and HART provided detail on HOLO and demonstration project, and responded to commission questions. No testimony received.
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June to

November 2018: Informational briefings and meetings conducted at the following events: NB meetings (Nuuanu and Makiki), community events (2 HART Train Days, Auto Show, 2 Kakaako Night Markets, and Chinatown Chinese New Year), senior centers (Koko Head, Lanakila, and Kahuku), High Schools (Waipahu and Kapolei), morning news shows (Hawaii News Now, KITV, and KHON), Hawaii Public Radio, newspaper articles in the Honolulu Star Advertiser & Midweek, and the Honolulu Rate Commission (4/10/18 and 9/4/18).

December 2018: HOLO pilot project launched.

Title VI Policies

DTS Major Service & Fare Change Policy and Disparate Impact & Disproportionate Burden Policies was used to determine if the proposed migration to HOLO will have a disparate impact or disproportionate burden to the ridership that self-identifies as minority or low income respectively.

Fare Change Policy: All fare changes requires DTS to perform a fare equity analysis during the planning process and six (6) months prior to implementation. Full public implementation is scheduled for July 1, 2019.

Disparate Impact Policy: DTS determines disparate impact when adverse effects of a fare change disproportionately affects minority riders more than non-minority riders. Disparate impact occurs when the threshold for determining adverse effects exceeds a 10% difference between the proportion of the affected minority and non-minority ridership.

Disproportionate Burden Policy: DTS determines disproportionate burden when adverse effects of a fare change disproportionately affects low income riders more than non-low income riders. Disproportionate burden occurs when the threshold for determining adverse effects exceeds a 10% difference between the proportion of the affected minority and non-minority ridership.

Analysis Framework

Although fares are not being increased and the single one-way cash fare will still be available, the migration to HOLO may adversely impact riders who use the one-day bus pass, which will not be available for purchase on-board buses, as is the current practice. Aside from the single one-way cash fare and the one-day bus pass, all other fare media are currently passes or IDs that are purchased at one or more of the following bus pass network locations, depending on the type of fare media.

- TheBus Pass office located at the Kalihi Transit Center.
- Participating retail vendors (approximately 90 located across Oahu).
- Nine (9) Satellite City Halls.

As an electronic version of the current bus pass or ID, a rider's initial* or replacement* HOLO will be purchased at the same network locations listed above, therefore; the migration is anticipated to have less adverse impact for these riders, if any at all. (*During the initial full public implementation period estimated to be six months to a year, HOLO will be distributed and provided free of charge. After the implementation period, a card fee, to be determined, may be charged.)

Access and availability of HOLO for current one-day pass riders will be compared to determine if the change in fare media adversely affects minority and/or low income riders disproportionately more than non-minority and/or non-low income riders.

Methodology: Ridership survey data from TheBus Demographic and Fare Media Ridership Survey (2018) was used to determine minority and low income proportions for the fare media payment categories. Table 1 shows the proportion of TheBus ridership that self-identified as minority and/or low income and Table 2 shows the fare media payment categories used by TheBus ridership. Of the 86% minority and/or low income riders, 49% use the Adult Pass, 10% use the One-day Pass, 9% use the Senior Pass, 7% use the Disability Pass, 5.5% use the U-Pass, 4% pay the Single One-way Cash Fare, and 1.5% use the Handi-van Pass.

Table 1: Percentage of system-wide passenger data

Minority	Low Income	Minority/Low Income	Overall
54%	5%	27%	14%

(Source: TheBus Demographic and Fare Media Ridership Survey, SMS Research, December, 2018)

Table 2: TheBus Ridership Fare Media Usage

Fare Media	Minority	Low Income	Minority/Low Income	Overall	Total
Single 1-Way	1.0%	1.0%	2.0%	1.0%	5.0%
1-Day Pass*	5.0%	1.0%	4.0%	5.0%	15.0%
Adult Pass	31.0%	2.0%	16.0%	5.0%	54.0%
Disability Pass	2.0%	1.0%	4.0%	0.5%	7.5%
Senior Pass	5.0%	1.0%	3.0%	2.0%	11.0%
Hand-Van Pass	0.5%	0.5%	0.5%	0.0%	1.5%
U-Pass	2.0%	0.5%	3.0%	0.5%	6.0%
Total	46.5%	7.0%	32.5%	14.0%	100.0%

(Source: TheBus Demographic and Fare Media Ridership Survey, SMS Research, December, 2018)

*Adult usage only, SMS Research policy precludes the survey of Youth.

Assessing Impacts

Disparate Impact and Disproportionate Burden: Although One-day Pass riders are most likely to be adversely affected by the migration to HOLO based on reduced access and availability since such passes will no longer be sold on-board buses and must be purchased at HOLO network locations; these riders will benefit from the numerous advantages that a smart card offers.

HOLO benefits all other riders who purchase the remaining fare media types except the single one-way cash fare rider. However, there are no changes to the single one-way cash fare.

DTS determines disparate impact and/or disproportionate burden when adverse effects of a fare change disproportionately affects minority and/or low income riders more than the overall riders by >10%. Although, the majority (87%) of TheBus riders self-identified as minority and/or low income, only 10% are One-day Pass riders, while 5% of the overall riders use the One-day Pass. The difference of 5% does not exceed the 10% threshold, therefore, the migration to HOLO does not adversely affect minority and/or low income riders disproportionately.

Benefits of HOLO: The following smart card system features benefits all TheBus Riders:

1. Cards will be distributed free of charge during the full public implementation period, estimated to be six months to one year; then a minimal card fee (to be determined) will apply to cover production costs and incentivize riders to retain and register their cards.
2. No regular service fee or charge for using HOLO.
3. Linked to an account that contains stored value. Registration protects against loss or theft, allows automatic reload, and provides capability to easily load value/purchase passes, and manage balances/multiple cards for a family or group.
4. Value can be deposited/loaded via cash or credit/debit card into the account at current bus pass network locations, on-line, by phone, or by automatic reload.
5. Grace period allows riders who board an incorrect bus to exit the wrong bus and board the correct bus without an additional charge.
6. Provides an integrated mass transit fare system when rail becomes operational.
7. Increased rider convenience.
8. More efficient, expedited operations.
9. Flexibility and ability for future growth.
10. Provides capability to implement Fare Cap Policy and re-institute free transfers.

Fare Equity Analysis: While there is no disparate impact or disproportionate burden to minority and/or low income riders with the migration to HOLO, one-day passes will no longer be sold on-board buses, affecting those riders with the loss of a readily available and convenient means to purchase fare media. However, the benefits of HOLO far outweigh the loss of on-board availability, especially if the fare cap and free transfer policies are implemented. Additionally, since bus fares are not time or distance-based, the cost benefit is greater for riders who live in outlying areas with longer commutes and more transfers to reach destinations. According to DTS' 2016 Title VI Program report, a majority of the minority and low income Census block groups are located outside of urban Honolulu in outlying communities.